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Discloseable Transaction
- Disposal of Guo Xiang Property Co., Limited

GuocoLand Limited, the Company's 65% owned subsidiary listed on the Singapore Exchange Securities Trading Limited, announced that its wholly owned subsidiary, GuocoLand (China) Limited has on 2 August 2013 entered into a sale and purchase agreement to dispose of its entire interest in Guo Xiang Property Co., Limited to a purchaser who is an independent third party at a total consideration of Rmb1,200 million (approximately HK\$1,518 million).

Guo Xiang, through its 99% shareholding in the PRC Project Subsidiary, has a deemed interest in a land parcel located in Nanjing, the PRC. Following the completion of the Disposal, Guo Xiang will cease to be a subsidiary of the Group.

The Disposal constitutes a discloseable transaction for Guoco as one of the relevant percentage ratios in respect of the transaction exceeds 5% but is less than 25% under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

THE AGREEMENT

GuocoLand, the Company's 65% owned subsidiary listed on the SGX-ST, announced that its wholly owned subsidiary, GuocoLand China has on 2 August 2013 entered into the Agreement to dispose of its entire interest in Guo Xiang to the Purchaser. The transaction comprises the disposal of the Sale Shares and the assignment of the GX Loan to the Purchaser as well as the repayment of the XHN Loans by the Purchaser.

Guo Xiang, through its 99% shareholding in the PRC Project Subsidiary, has a deemed interest in the Land Parcel located in Nanjing, the PRC. Following the completion of the Disposal, Guo Xiang will cease to be a subsidiary of the Group.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are independent third parties of Guoco and Guoco's connected persons (as defined under the Listing Rules).

INFOMRATION ON GUO XIANG

For the year ended 30 June 2012, the audited net loss of Guo Xiang before and after tax and extraordinary items were both approximately US\$2,000 (approximately HK\$16,000). Guo Xiang acquired the 99% equity interest in the PRC Project Subsidiary in December 2012 through a group restructuring exercise. For the year ended 30 June 2013, the unaudited consolidated net loss of Guo Xiang and its subsidiary before and after tax and extraordinary items were both approximately US\$344,000 (approximately HK\$3 million).

CONSIDERATION

The total consideration for the Disposal is Rmb1,200 million (approximately HK\$1,518 million) which includes the consideration for disposal of the Sale Shares of approximately Rmb127 million (approximately HK\$161 million) and the payment for the assignment of GX Loan of approximately Rmb616 million (approximately HK\$779 million) and the repayment of the XHN Loans of approximately Rmb457 million (approximately HK\$578 million). The consideration was arrived at on a willing-buyer and willing-seller basis, taking into account the net asset value of the Sale Shares.

The first non-refundable payment of Rmb100 million (approximately HK\$126 million) was received upon signing of the Agreement. The balance sale consideration shall be satisfied in cash upon completion of the Disposal in accordance with and subject to the terms of the Agreement.

COMPLETION

Pursuant to the Agreement, the completion will take place by 30 August 2013.

FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

The net asset value of the Sale Shares to be disposed of stated in the book of the GuocoLand Group is approximately US\$131.3 million (approximately HK\$1,018 million). The Disposal is expected to generate a net profit of approximately US\$64.5 million (approximately HK\$500 million) for the GuocoLand Group. The net proceeds of the Disposal will be deployed to other investment opportunities of the GuocoLand Group.

RATIONALE

GuocoLand is listed on SGX-ST with principal business in property development and investment. The Agreement was entered into in the ordinary and usual course of business of GuocoLand and provided an opportunity for the GuocoLand Group to realise the capital value of its investment in the Land Parcel through the disposal of its entire interest in Guo Xiang.

The Directors considered that the terms and conditions of the Agreement including the consideration was fair and reasonable and in the interests of Guoco and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Disposal constitutes a discloseable transaction for Guoco as one of the relevant percentage ratios in respect of the Disposal exceeds 5% but is less than 25% under the Listing Rules.

GENERAL

Guoco is an investment holding and investment management company and the principal activities of its subsidiaries and associated companies encompass principal investment, property development and investment, hospitality and leisure business, stock and commodity broking, investment advisory, banking and financing, insurance, fund management as well as merchant banking.

As at the date of this announcement, the board of directors of Guoco comprises Mr Quek Leng Chan as Executive Chairman; Mr Kwek Leng Hai as President and CEO; Mr Tan Lim Heng as executive director; Mr Kwek Leng San as non-executive director and Mr Volker Stoeckel, Mr Roderic N. A. Sage and Mr David Michael Norman as independent non-executive directors.

(For reference only, the exchange rates of Rmb:HK\$ and US\$:HK\$ as referred to in this announcement are Rmb1:HK\$1.2649 and US\$1:HK\$7.7565 respectively as at 2 August 2013.)

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Agreement”	the sale and purchase agreement dated 2 August 2013 entered into between GuocoLand China and the Purchaser in relation to the Disposal
“Directors”	the directors of Guoco
“Disposal”	the disposal of the Sale Shares and the assignment of GX Loan to the Purchaser as well as the repayment of XHN Loans by the Purchaser pursuant to the Agreement
“GX Loan”	a loan due by Guo Xiang to GuocoLand China of approximately Rmb616 million (approximately HK\$779 million)
“Group”	Guoco and its subsidiaries from time to time
“Guo Xiang”	Guo Xiang Property Co., Limited, an investment holding company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of GuocoLand China
“Guoco” or “Company”	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“GuocoLand”	GuocoLand Limited, an indirect subsidiary of Guoco incorporated in Singapore, the shares of which are listed on SGX-ST
“GuocoLand China”	GuocoLand (China) Limited, an investment holding company incorporated in Bermuda with limited liability and a direct wholly owned subsidiary of GuocoLand
“GuocoLand Group”	GuocoLand and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land Parcel”	a land parcel of approximately 296,000 square metres located near the Purple Mountains in the Xuanwu District, Nanjing, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People's Republic of China
“PRC Project Subsidiary”	Nanjing Xinhaoning Property Development Co., Ltd, a company incorporated in the PRC and a 99% owned subsidiary of Guo Xiang, holding the Land Parcel
“Purchaser”	Hong Kong Jia Yuan Holdings Limited, an investment holding and general trading company incorporated in Hong Kong with limited liability
“Rmb”	Renminbi, the lawful currency of the PRC
“SGX-ST”	Singapore Exchange Securities Trading Limited

“Sale Shares”	10,000 ordinary shares of HK\$1.00 each being the entire issued share capital of Guo Xiang
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“XHN Loans”	loans due by the PRC Project Subsidiary to GuocoLand China’s affiliated companies of approximately Rmb457 million (approximately HK\$578 million)
“%”	per cent.

GuocoLand’s announcement on the Disposal is posted by Guoco as an overseas regulatory announcement on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.guoco.com>).

By order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 2 August 2013